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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 12, 2010

CERTIFIED RETURN RECEIPT
7005 0390 0000 7507 4375

Lance Stephens
Holcim (US), Inc.
6055 East Croydon Road
Morgan, Utah 84050

Subject: Evaluation of Reclamation Surety, Holcim (US), Inc., Skull Valley Diatomaceous Earth, M/045/0060, Tooele County, Utah

Dear Mr. Stephens:

The most recent reclamation cost estimate for the Skull Valley Diatomaceous Earth mine was escalated to 2010 dollars, so the reclamation surety amount is now due for review and adjustment. The Division may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6).

At the time of the Division's last inspection on October 1, 2008, the reclamation surety was \$170,900, for the 45 acres of disturbance. The inspection report documented that the area had been regraded, but vegetation consisted mostly of weeds and was not adequate for the postmining land use. Based on this inspection, it is highly likely that no additional monies are needed.

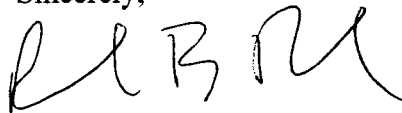
By August 30, 2010, please review the future plans for the mine and the reclamation status, and submit updated information to the Division, either in the form of a bond release request or as an updated bond calculation spreadsheet.

The Division's spreadsheets have been developed to assist both the Division and mine operators to calculate the reclamation surety amount using standard unit costs. If you do not request release, please complete these forms and return a copy to the Division for review. Once the forms have been reviewed, the Division will ask that you adjust the amount of surety to reflect the current reclamation cost estimate. Please submit the reclamation cost estimate as an amendment to the Notice of Intention to Commence Large Mining Operations (LMO) so the information is incorporated into the approved plan.

Lance Stephens
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If you would like an electronic version of the spreadsheet or have questions about the spreadsheet or calculations, please contact Wayne Western at 801-538-5263 or by e mail at waynewestern@utah.gov. Other questions about this letter should be addressed to Leslie Heppler at 801-538-5257. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'P B Baker', written in a cursive style.

Paul B. Baker
Mining Program Manager

PBB:lah:pb
Enclosure: Surety Spreadsheet
cc: BLM - Larry_Garahana@BLM.gov
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